

Department of Social Services
 Welfare to Work Division, Fraud Bureau
 744 P Street, Mail Station 19-26
 Sacramento, CA 95814
 (916) 445-0031 FAX (916) 445-1053



February 25, 1999

ALL-COUNTY INFORMATION NOTICE: I-16-99

TO: ALL COUNTY WELFARE DIRECTORS

REASON FOR THIS TRANSMITTAL

- | ☐ State Law Change
 | ☐ Federal Law or Regulation
 | Change
 | ☐ Court Order or Settlement
 | Agreement
 | ☐ Clarification Requested
 | by One or More Counties
 | ☒ Initiated by CDSS

SUBJECT: INTERCEPTION OF STATE AND FEDERAL INCOME TAX REFUNDS
 TO COLLECT DELINQUENT RESTITUTION OF CALIFORNIA WORK
 OPPORTUNITY AND RESPONSIBILITY TO KIDS (CALWORKS)
 OVERPAYMENTS AND FOOD STAMP (FS) OVERISSUANCES - TAX
 INTERCEPT PROGRAM

The California Department of Social Services (CDSS), in conjunction with the Food and Nutrition Service, Internal Revenue Service, State Controller's Office and the Franchise Tax Board will again administer a federal and state Income Tax Refund Intercept Program for Tax Year (TY) 1999. This program is designed to facilitate the collection of delinquent restitution of CalWORKs (formerly known as Aid to Families with Dependent Children) overpayments and FS overissuances. The program has proved to be an effective collection device, with over \$9.8 million collected in TY 1997 from state and federal tax refunds.

For TY 1999, the operation of the Tax Intercept Program will be similar to that of previous years. As a reminder, counties are not to include any Title IV-E (Foster Care) claims in the submission for tax intercept. Also, due to the Aktar v. Anderson case, only those FS administrative errors which occurred on or after October 1, 1996, may be submitted to the tax intercept program. Food Stamp administrative error overissuances which occurred prior to October 1, 1996, are still covered by the Aktar injunction and may not be submitted.

Currently the Internal Revenue Service charges a \$9.00 administrative offset fee for each FS offset for TY 1998. Counties are responsible for refunding this offset fee to the client when an offset occurred as a result of a state or county error. Counties may claim the offset fee as an allowable administrative cost on the quarterly county expense claim. Counties may claim offset fees as general operating costs or direct-to-program operating costs dictated by requirements under County Fiscal Letter No. 97/98-26 dated October 15, 1997.

All County Welfare Directors
Page Two

Criteria for submission of accounts for the tax intercept program are contained in Division 20-400 of the CDSS Manual of Policies and Procedures. This letter provides the following: A timetable of activities (Attachment 1); Participation Agreement (Attachment 2) which must be completed in order to intercept TY 1999 federal and state income tax refunds; and automated and paper county record layout criteria (Attachments 3 through 7).

As in the past, this program is voluntary. If your county plans to participate in the Tax Intercept Program, please complete Attachment 2, "Participation Agreement," by **April 1, 1999**, and return it to:

California Department of Social Services
Fraud Bureau
Attention: Intercept Coordinator
744 P Street, M.S. 19-26
Sacramento, CA 95814

Because of the effectiveness of the Tax Intercept Program in aiding in the collection of CalWORKs overpayments and FS overissuances, the Department encourages all counties to participate. If you have any questions or comments, please contact Cindy Pharis, Tax Intercept Coordinator, at (916) 445-2123.

***Original Document Signed by
Bruce Wagstaff on 2/23/99***
BRUCE WAGSTAFF
Deputy Director
Welfare to Work Division

Attachments

c: CWDA

CalWORKs/FS INTERCEPT PROGRAM: TIMETABLE

<u>Activity</u>	<u>Date</u>
County notifies the CDSS of intent to participate in the Tax Intercept Program by submitting Attachment 2, Participation Agreement.	April 1, 1999
County sends Attachment 5, Page 2, Transmittal; Attachment 6, Limited Assignment of Delinquent Restitution; and county restitution account information to the CDSS.	May 3, 1999
Counties may submit modifications (deletes/changes) for TY 1999.	June 1, 1999 thru December 1, 2000
Counties receive Cleared and Error reports as a result of modifications (deletes/changes) submitted for TY 1999.	June 15, 1999 thru December 15, 2000
Counties receive the Annual Cleared Edit Report. This report shows TY 1999 records which have cleared the edits and have been processed.	June 15, 1999
Counties receive the annual FTB/IRS Individual Edit Error Report. This report shows those records which have been rejected and not processed.	June 15, 1999
Last day for counties to send modifications (deletes/changes) to impact pre-offset notices to individuals.	August 1, 1999
Counties receive reports as a result of the address file provided by IRS.	August 15, 1999
The CDSS mails the IRS pre-offset notices to individuals.	September 1, 1999
The CDSS mails the FTB pre-offset notices to individuals.	September 13, 1999
Last day for counties to submit modifications (deletes/changes) before file is sent to taxing agencies.	November 1, 1999
Counties receive the Weekly FTB and IRS Offset reports for TY 1999.	January 15, 1999 thru December 31, 2000

CalWORKs/FS INTERCEPT PROGRAM: PARTICIPATION AGREEMENT

Submit this document by April 1, 1999, to:

California Department of Social Services
 Fraud Bureau
 Attention: Intercept Coordinator
 744 P Street, M.S. 19-26
 Sacramento, CA 95814

_____ County will participate in the Federal and State Tax Intercept Program to collect delinquent restitution of CalWORKs overpayments and FS overissuances for Tax Year (TY) 1999.

Director's Name	Director's Signature	Date
1. Estimated number of cases county will submit for intercept: _____ / _____. <div style="display: flex; justify-content: space-around; width: 100%;"> CalWorks FS FS </div>		
2. Restitution account input medium. (circle one): Tape/Cartridge/Diskette/Forms/Electronic transfer.		
3. Name and telephone number of the county contact person assigned to the Tax Intercept Program (liaison with the CDSS). Name _____ Title _____ Department _____ Unit/Division _____ Address _____ City _____ Zip Code _____ Telephone _____ Fax # _____		
4. County representative and telephone number of the person responsible for handling local level inquiries and public inquiries concerning the Tax Intercept Program. <u>(This information will be placed on the pre-offset and post offset notices).</u> Title _____ Department _____ Unit/Division _____ Address _____ City _____ Zip Code _____ Telephone _____		

**CalWORKs/FS TAX INTERCEPT PROGRAM: WELFARE INTERCEPT SYSTEM
MAGNETIC TAPE AND FLOPPY DISK RESTITUTION RECORD DESCRIPTION**

Automated Input Preparation, Magnetic Tape or Floppy Disks

Magnetic tape and floppy disks can be used to transmit "Establish" records and may be used to transmit Changes, Deletes, Refunds and Voluntary Payment Change/Deletes. A standard transmittal and instructions are included (Attachment 5).

MAGNETIC TAPE INSTRUCTIONS:

File Format: Sequential
Character Format: EBCDIC
Medium: 9 TRACK tape 1600 BPI or 9 TRACK tape 6250 BPI or IBM formatted 3480 cartridge.
Labels: Labeled (Standard label)
Record Length: 300 bytes
Blocking Factor: 1 record per block
Documentation: A transmittal (Attachment 5) must accompany the tape/cartridge. The transmittal should identify the county name and number, the number of transaction records and the density (i.e., 1600BPI or 6250BPI or cartridge). Most importantly, identify the tape as input to the Welfare Intercept System (WIS). Example: CalWORKs/FS - IRS AND FTB TAX INTERCEPT PROGRAM. Please put the type of system which generated the tape (i.e., IBM, Honeywell, Burroughs, etc.).

FLOPPY DISKS:

Type of PC: IBM Compatible
Floppy Size: 3 1/2" or 5 1/4" 2S/2D HD2
Format: ASCII or Standard Data Format (SDF).
Label: WIS.COXX where XX is your county number (01-58).

A transmittal (Attachment 5) must accompany the floppy disk(s).

ELECTRONIC DATA TRANSFER:

Beginning in May 1999, Interim Statewide Automated Welfare System (ISAWS) counties will begin to transmit their data using Electronic Data Transfer. For other counties interested in transmitting their data electronically, arrangements can be made by contacting Cindy Pharis at (916) 445-2123.

Mailing address for magnetic tape or diskette is: California Department of Social Services
 Fraud Bureau
 Attention: Intercept Coordinator
 744 P Street, M.S. 19-26
 Sacramento, CA 95814

Sort key: County Number, Social Security Number for tape and diskette.

WELFARE INTERCEPT SYSTEM

ANNUAL FILE RECORD LAYOUT

Record Position	Field Title	Length /Mode	Description and Remarks
01	Record Type	1N	REQUIRED. One (1) digit numeric field to indicate the type of transaction: 1=Establish; 2=Change; 3=Delete; 4=Refund; 5=Change & Vol. Payment; 6=Delete & Vol. Payment.
02-03	County Number	2N	REQUIRED. Two (2) digit unsigned numeric field. Valid values 01-58.
04-07	Tax Year	4N	REQUIRED. Four (4) digit numeric field to identify tax year to be intercepted. 19YY until Year 2000.
08-12	Worker/Dist ID	5AN	OPTIONAL. Five (5) character alpha-numeric field to identify the worker or district.
13-21	SSN	9N	REQUIRED. Nine (9) digit numeric field which contains the recipient's SSN. Must be greater than 001010000, less than 729000000 or greater than 750000000 and less than 764000000. <u>Must be unsigned.</u>
22-36	Case ID	15AN	REQUIRED. Fifteen (15) character alpha-numeric field which contains the case identification number. Left justify. DO NOT USE DASHES.
37-44	Delinquency Date	8N	REQUIRED. Eight (8) digit numeric field which contains the date that the account became delinquent. CCYYMMDD where CCYY is 19YY until Year 2000.
45-59	Last Name	15A	REQUIRED. Fifteen (15) character alphabetic field which contains the recipient's last name. Must be left justified with no special characters (i.e., hyphen, apostrophe, etc.).
60-69	First Name	10A	REQUIRED. Ten (10) character alphabetic field which contains the recipient's first name. Must be left justified with no special characters.

Record Position	Field Title	Length /Mode	Description and Remarks
70	Middle Initial	1A	OPTIONAL. One (1) character alphabetic field which contains the recipient's middle initial. When not used blank fill.
71-90	Care of Name-Address	20AN	OPTIONAL. Twenty (20) character alpha-numeric field which contains the care of (c/o) portion of a recipient's address, if any. When not used blank fill.
91-110	Street Address	20AN	REQUIRED. Twenty (20) Character alpha-numeric field which contains the recipient's street address.
111-128	City	18A	REQUIRED. Eighteen (18) character alphabetic field which contains recipient's city.
129-147	State/Country	19A	REQUIRED. Nineteen (19) character alphabetic field which contains the state name or foreign country of the recipient.
148-156	Zip Code	9N	REQUIRED. Nine (9) digit numeric field which contains the recipient's zip code. (5+4) <u>Must be left justified.</u>
157	Judgement Debt Indicator	1A	REQUIRED-IRS ONLY. One (1) character alphabetic field which contains a 'J' to indicate a judgement debt. Blank fill if not used.
158	Filler	1A	RESERVED for future use. Blank fill.
159-167	FTB CalWORKs Administrative Error Amount	9N	REQUIRED. Nine (9) digit numeric field which contains the total amount of delinquent restitution. Cents are reduced to zero (i.e., \$10.60 = \$10.00). The decimal character is dropped. Decimal place must be allowed for. Right justified with preceding zeros (i.e., \$10.60 = 000001000). <u>Must be unsigned.</u> Amounts must be at least \$10 dollars.
168-176	FTB CalWORKs IPV Amount	9N	REQUIRED. See FTB CalWORKs Admin Error Amount for field description.
177-185	FTB CalWORKs IHE Amount	9N	REQUIRED. See FTB CalWORKs Admin Error Amount for field description.
186-194	FTB Food Stamp Admin Error Amount	9N	REQUIRED. See FTB CalWORKs Admin Error Amount for field description.
195-203	FTB Food Stamp IPV Amount	9N	REQUIRED. See FTB CalWORKs Admin Error Amount for field description.
204-212	FTB Food Stamp IHE Amount	9N	REQUIRED. See FTB CalWORKs Admin Error Amount for field description.
213-221	IRS CalWORKs Administrative Error Amount	9N	Reserved for future use. Blank fill.
222-230	IRS CalWORKs IPV Amount	9N	Reserved for future use. Blank fill.

Record Position	Field Title	Length /Mode	Description and Remarks
231-239	IRS CalWORKs IHE Amount	9N	Reserved for future use. Blank fill.
240-248	IRS Food Stamp Admin Error Amount	9N	Reserved for future use. Blank fill.
249-257	IRS Food Stamp IPV Amount	9N	REQUIRED. Nine (9) digit numeric field which contains the total amount of delinquent restitution. Cents are reduced to zero (i.e., \$10.60 = \$10.00). The decimal character is dropped. Decimal place must be allowed for. Right justified with preceding zeros (i.e., \$10.60 = 000001000). <u>Must be unsigned.</u> Amounts must be at least \$25 dollars.
258-266	IRS Food Stamp IHE Amount	9N	REQUIRED. See IRS Food Stamp IPV Amount for field description.
267-300	Filler	34A	RESERVED. Thirty-four (34) character field which contains blanks for both magnetic tape and diskettes.

**CalWORKs/FS TAX INTERCEPT PROGRAM:
WELFARE INTERCEPT SYSTEM COUNTY TRANSACTION DOCUMENT (DPS 249)**

County Data Entry Instructions:

This form can be used for inputting cases to the Tax Intercept Program, Welfare Intercept System, as well as modifying or deleting a case from the program. Also it may be used to notify IRS when a refund of an IRS intercept has been made to an individual. When inputting cases to the program, CalWorks and FS amounts can be placed on the same form. A separate form is required for each worker/district number if they are used.

HEADER INFORMATION

- o COUNTY CODE (2 digits, 01-58)

For each document enter the county number (Required).

- o TAX YEAR (4 digits)

Enter the year that returns will be intercepted (Required).

- o WORKER/DISTRICT NUMBER (5 characters maximum)

Worker/District number is an optional county use field to be used for additional county identification of cases. Use a separate form for each different worker/district number. Data can be entered free form in any desired format. There are no restrictions on alphabetic or numeric characters.

- o RECORD TYPE

Put an 'X' in the applicable box:

1 = Establish - to enter an account into the program

2 = Change - to modify an account already input in the program

3 = Delete - to delete an account already input into the program

4 = Refund - to notify IRS of a refund of an IRS intercept

5 = Voluntary Payment Change - to notify IRS that an individual has voluntarily set up a repayment agreement as a result of the pre-offset notice

6 = Voluntary Payment Delete - to notify IRS that an individual has voluntarily paid off their account as a result of the pre-offset notice

WE CAN NOT ACCEPT "ESTABLISH" CASES AFTER MAY 3,1999 FOR TAX YEAR 1999. Cases determined eligible for tax intercept after May 3rd must wait until the following year to be submitted.

RESTITUTION INFORMATION

1. SOCIAL SECURITY NUMBER (9 DIGITS)

Enter the recipient's Social Security Number. This field is required and must contain nine digits. Must be greater than 001010000, less than 729000000 or greater than 750000000 and less than 764000000.

2. CASE IDENTIFICATION NUMBER (15 CHARACTERS MAXIMUM)

This is a required field to be used for county identification of cases. Data can be entered free form in any desired format. There are no restrictions on alphabetic or numeric characters. Do not use dashes. Case identification numbers must be unique to the Social Security number.

3. DELINQUENCY DATE (8 DIGITS)

Enter the date that the account became delinquent. This field is required and must be in month/day/century/year format.

4. LAST NAME (15 ALPHABETIC CHARACTERS MAXIMUM)

Enter recipient's last name. This is a required field and must be alphabetic. Use only letters 'A' through 'Z'. Do not use special characters such as hyphen, apostrophe, blanks or spaces, etc. If a recipient has aliases, make a separate complete entry for each different last name. (IRS and FTB only use the SSN and first four letters of the last name for matching purposes.)

5. FIRST NAME (10 ALPHABETIC CHARACTER MAXIMUM)

Enter recipient's first name. When entered, the characters must be alphabetic.

6. MIDDLE INITIAL (1 ALPHABETIC CHARACTER MAXIMUM)

Enter recipient's middle initial. This is not a required field, but if entered, must be alphabetic.

7. CARE OF NAME-ADDRESS (20 CHARACTERS MAXIMUM)

Enter care of (c/o) portion of recipient's address, if any.

8. STREET ADDRESS (20 CHARACTERS MAXIMUM)

Enter recipient's street address. This field is required.

9. CITY (18 CHARACTERS MAXIMUM)

Enter recipient's city. This field is required.

10. STATE/COUNTRY (19 CHARACTERS)

Enter recipient's state or foreign country. This field is required.

11. ZIP CODE (9 DIGITS)

Enter recipient's zip code (5+4). This field is required.

12. JUDGEMENT DEBT INDICATOR (1 CHARACTER)

Enter a "J" in this field to indicate if this is a judgement debt. (For IRS only).

13. RESERVED

14-25. DELINQUENT DOLLAR AMOUNT (7 DIGIT MAXIMUM - NO CENTS)

(Fields 20-23 have been reserved for future use.)

To establish a record (Type 1):

Enter the total amount of the delinquent restitution to the nearest whole dollar (round down to the nearest dollar and drop cents). CalWorks and FS amounts can be entered on the same form for each case. At least one of the fields has to contain an amount. A new record cannot be established after May 1, 1999.

To Change a record (Type 2):

Enter the amount of the payment received by the county.

To Delete a record (Type 3):

Enter the amount used to establish the record.

Refunds (Type 4):

Enter the amount refunded to an individual for an erroneous intercept. (IRS only).

NOTE: This form is not to be used for the Child Support Intercept System nor are child support forms to be used for the CalWorks/FS Tax Intercept Program.

A transmittal (TEMP1722A (1/98)) must accompany the County Transaction Documents. The necessary form and instructions are included as Attachment 5, Page 1 and 2.

WELFARE INTERCEPT SYSTEM

COUNTY TRANSACTION DOCUMENT

COUNTY CODE	TAX YEAR	WORKER / DISTRICT ID	RECORD TYPE <input type="checkbox"/> 1=Establish <input type="checkbox"/> 2=Change	<input type="checkbox"/> 3=Delete <input type="checkbox"/> 4=Refund	* <input type="checkbox"/> 5=Voluntary Payment Change * <input type="checkbox"/> 6=Voluntary Payment Delete * #s 5 and 6 are for IRS only
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1. SSN		2. CASE I.D.		3. DELINQUENCY DATE (month) (day) (century/year) / /	
4. LAST NAME		5. FIRST NAME		6. M.I.	
7. C / O NAME		8. STREET ADDRESS			
9. CITY	10. STATE / COUNTRY	11. ZIP CODE	12. JUDGEMENT DEBT (IRS ONLY)	13.	

	FTB		IRS	
CalWORKs AE	14.	00	20.	00
CalWORKs IPV	15.	00	21.	00
CalWORKs IHE	16.	00	22.	00
Food Stamps AE	17.	00	23.	00
Food Stamps IPV	18.	00	24.	00
Food Stamps IHE	19.	00	25.	00

1. SSN		2. CASE I.D.		3. DELINQUENCY DATE (month) (day) (century/year) / /	
4. LAST NAME		5. FIRST NAME		6. M.I.	
7. C / O NAME		8. STREET ADDRESS			
9. CITY	10. STATE / COUNTRY	11. ZIP CODE	12. JUDGEMENT DEBT (IRS ONLY)	13.	

	FTB		IRS	
CalWORKs AE	14.	00	20.	00
CalWORKs IPV	15.	00	21.	00
CalWORKs IHE	16.	00	22.	00
Food Stamps AE	17.	00	23.	00
Food Stamps IPV	18.	00	24.	00
Food Stamps IHE	19.	00	25.	00

1. SSN		2. CASE I.D.		3. DELINQUENCY DATE (month) (day) (century/year) / /	
4. LAST NAME		5. FIRST NAME		6. M.I.	
7. C / O NAME		8. STREET ADDRESS			
9. CITY	10. STATE / COUNTRY	11. ZIP CODE	12. JUDGEMENT DEBT (IRS ONLY)	13.	

	FTB		IRS	
CalWORKs AE	14.	00	20.	00
CalWORKs IPV	15.	00	21.	00
CalWORKs IHE	16.	00	22.	00
Food Stamps AE	17.	00	23.	00
Food Stamps IPV	18.	00	24.	00
Food Stamps IHE	19.	00	25.	00

**CalWORKs/FS TAX INTERCEPT PROGRAM
WELFARE INTERCEPT SYSTEM (WIS) TRANSMITTAL (TEMP1722A)**

Use the attached transmittal when sending CalWORKs/FS submissions to CDSS

<u>ITEM</u>	<u>ENTER</u>
1. COUNTY NAME	County Name
2. COUNTY NUMBER	County Number (state code 01-58)
3. CURRENT DATE	Today's Date
4. TAX YEAR	Tax Year being processed
5. SUBMITTED BY	Name of person submitting documents
6. PHONE NUMBER	Phone number of person submitting documents
7. DOCUMENTS	Enter the total number of documents being submitted at this time. Do not combine more than one record type with the same transmittal. Only submit ten pages per transmittal.
8. TAPE/CARTRIDGE	When sending a tape or cartridge, indicate the tape number, number of records, block size and record length.
9. FLOPPY/DISKETTES	When sending a diskette, enter the type of diskette, filename(s), record length, number of records and number of bytes (# of bytes x # of records).

STATE OF CALIFORNIA - HEALTH AND WELFARE AGENCY - CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

CalWORKs/FOOD STAMP WELFARE INTERCEPT SYSTEM (WIS) TRANSMITTAL

NOTE: THIS TRANSMITTAL MUST ACCOMPANY ALL CalWORKs/FS INTERCEPT PROGRAM MAGNETIC TAPES, CARTRIDGES, FLOPPY DISKS AND INPUT DOCUMENTS

TO: CALIFORNIA DEPARTMENT OF SOCIAL SERVICES FRAUD BUREAU ATTENTION: INTERCEPT COORDINATOR 744 P STREET M.S. 19-26 SACRAMENTO, CA 95814	FOR STATE USE ONLY 37503/_____ E_____ V_____
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COUNTY NAME	COUNTY NUMBER	CURRENT DATE	TAX YEAR
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SUBMITTED BY	PHONE NUMBER
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I. DOCUMENTS (DPS 249) (Attach no more than 10 pages per 1722A)	
NUMBER OF DOCUMENTS: _____	
OR	
II. TAPE/CARTRIDGE	
TAPE NUMBER _____	() 1600 BPI
NUMBER OF RECORDS _____	() 6250 BPI
	() 3480 Cartridge
BLOCK SIZE _____	
RECORD LENGTH _____	
OR	
III. FLOPPY/DISKETTES	_____ 5 1/4 IBM COMPATIBLE
	_____ 3 1/2 IBM COMPATIBLE
FILENAME: _____	RECORD LENGTH: _____
NUMBER OF RECORDS: _____	NUMBER OF BYTES: _____

Submit this form to: California Department of Social Services
Fraud Bureau
Attention: Intercept Coordinator
744 P Street, M.S. 19-26
Sacramento, CA 95814

LIMITED ASSIGNMENT OF DELINQUENT RESTITUTION

_____ County hereby assigns to the California Department of Social Services (CDSS) those cases with delinquent restitutions for the limited purpose of allowing the CDSS to effect collection of said restitution pursuant to California Government Code Section 12419.5 for Tax Year 1999. This assignment is for the limited purpose stated and does not preclude _____ County from taking any other action for collection of these restitutions.

CWD Director's Name

CWD Director's Signature

Date

CERTIFICATION OF CORRECTNESS OF DELINQUENT RESTITUTION

I, (Name) _____ declare that I have supervised the compilation of the list of delinquent accounts submitted to the California Department of Social Services and I am informed and believe that each listed individual has been identified by the correct Social Security Number, that the County has the "right of recovery," as defined in the regulations (CDSS MPP 20-400), the ACL Checklist was reviewed (Attachment 7), and that the amount of total restitution owed is correct.

I declare under penalty of perjury that the foregoing is true and correct.

Dated this _____ day of _____, 1999, in the

County of _____, California.

Signature

Title

**CHECKLIST OF ALL COUNTY LETTERS TO BE REVIEWED
PRIOR TO SUBMISSION OF CASES FOR THE TAX INTERCEPT PROGRAM**

CalWORKs OVERPAYMENTS:

1. All cases:
 - A. All-County Letter (ACL) 85-49 (Edwards v. McMahon)

Instruction: Ensure that all underpayments are offset against existing overpayments.
2. Cases involving excess resources:
 - A. ACL 87-40 (Excess property overpayments -- Cases in collection) (EAS 44-350.12, 352.1)

Instruction: Ensure that good faith review has been performed and that recipient was notified of result of review; if no review previously performed, review case in accordance with ACL and notify recipient; no intercept pending outcome of review. If overpayment reduced after review and prior collection exceeds revised amount, make corrective payment.
3. Cases involving lump sum payments:
 - A. ACL 85-67 (Stephens v. McMahon, Shaw v. McMahon)

Instructions:
 - 1) Ensure that overpayment was not caused by "windfall" lump sum payment received between April 2, 1982 and August 1, 1986;
 - 2) Ensure that, in determining amount of overpayment, eligibility under Shaw was considered.
 - B. ACL 86-90, 88-76 (Rutan v. McMahon)

Instructions: Counties must cease all recoupment activity for overpayments caused by receipt of lump sum income prior to receipt of an adequate notice explaining the lump sum rule. If the lump sum payment was received prior to November 16, 1986, there is a presumption that no such notice was sent.

4. Cases involving excess income:

A. ACL 86-44 (Noia v. McMahon)

Instruction: If overpayment arose from a loan considered as income, ensure that instructions in ACL 86-44 have been followed. (Note: In most cases, loan was received between October 1, 1985 and July 1, 1986.)

B. ACL 84-93, 85-41 (Collins v. Woods)

Instruction: Counties should not be recouping nonwillful overpayments made prior to April 2, 1982. In any such case, stop recoupment and make corrective payments of all amounts recouped after August 28, 1984.

5. Technical overpayments:

A. All County Information Notice (ACIN) I-113-84

Instruction: Review case to ensure that overpayment did not arise from "technical ineligibility" (e.g., failure to register for WIN because of county error). If case involves a technical overpayment which occurred after January 1, 1985, stop recoupment and make corrective payments of amounts previously recovered.

FOOD STAMP OVERISSUANCES

1. All County Information Notice I-46-87

Instruction: Ensure that amount of claim is determined in accordance with MPP 63-046, 63-801.111 and 63-801.311.

2. All County Information Notice I-22-97

Instruction: The Court of Appeal of the State of California issued a decision which ruled that administrative error overissuances which occurred prior to October 1, 1996 could not be collected by involuntary means. Those administrative error overissuances which occurred after October 1, 1996 may be submitted to the Tax Intercept Program.

ALL AFDC AND FOOD STAMP DEBTS

1. All County Information Notice I-65-86 (Effects of Bankruptcy on Public Assistance Overpayments).

Instruction: If a bankruptcy has been filed, consult this ACIN.